

# Group Registered Retirement Savings Plans

## Mackenzie Group Plans

### About Group Registered Retirement Savings Plans (GRSP)

A GRSP is a collection of individual RRSPs where an employer (plan sponsor) assists a group of employees by handling their RRSP contributions through regular payroll deductions on a pre-tax basis. The employer may also make regular contributions or lump sum contributions on behalf of some or all of the employees on a pre-tax basis. As permitted by the CRA, the plan sponsor does not withhold income tax on the amount contributed. This means members will not overpay their taxes during the year and have to wait for a tax refund. This is the significant difference between a GRSP and an individual RRSP. The total contributions for each period are remitted by the employer for deposit into the individual RRSPs of the participating employees. Contributions are invested as specified by each employee and subsequent to a review by the plan's financial advisor. For example, if an employee contributes \$100 into their GRSP and are at a typical marginal tax rate of 31%\* the out-of-pocket cost is only \$69.

### Benefits

- Allows members to focus more attention on their work and ease pressure on the employer to increase wages and/or employer contributions.
- Members in a wide range of salary levels can be made to feel more financially content and secure.
- Creates goodwill as the benefits of contribution by payroll deduction would not be possible without the employer's involvement.

- For members to appreciate this benefit, the employer should select a carrier whose GRSP program includes retirement planning, investment advice and comprehensive ongoing communication services.
- Mackenzie Investments uses an advisor-based plan, meaning employees have access to an investment professional familiar with the plan and company.
- Mackenzie Investments group plans are easy to set up and administer.

### Highlights

- The employer has full control over the members' eligibility as well as determining and adjusting contribution amounts.
- Employer contributions are entirely voluntary.
- Contributions cannot exceed an individual's personal RRSP limit.
- Contributions vest immediately and are not locked in.
- The employer contributions are treated as a taxable benefit and are therefore subjected to payroll taxes.
- Minimum plan size of three members.
- Spousal accounts are available.
- Possible creditor protection.
- Contributions as low as \$50 per month per fund can be allocated to a variety of investments offered by Mackenzie.

\* Assumes an Ontario resident earning over \$40,970.

**For more information please call: 1-800-665-0513 or email [groupadmin@mackenzieinvestments.com](mailto:groupadmin@mackenzieinvestments.com)**

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